



NORTH CAROLINA GENERAL ASSEMBLY

BLUE RIBBON COMMISSION ON TRANSITIONS TO COMMUNITY LIVING

SUBCOMMITTEE ON HOUSING

Co-chairs:
Representative Justin Burr
Senator Ralph Hise

**FINAL REPORT
TO THE
FULL COMMISSION**

DECEMBER 2012

TRANSMITTAL LETTER

The Subcommittee on Housing, respectfully submits the following final report to Blue Ribbon Commission on Transitions to Community Living.

Representative Justin Burr
Co-Chair

Senator Ralph Hise
Co-Chair

SUBCOMMITTEE MEMBERSHIP

Representative Justin Burr, Co-Chair

Senator Ralph Hise, Co-Chair

Representative Marilyn Avila

Senator Andrew Brock

Representative Fred Steen

Senator Ellie Kinnaird

Ms. Regina Stavredes

Mr. John Bocciardi

Mr. Floyd Davis

Ms. Jeanne Duncan

Mr. Ken Jones

Mr. Steve Keen

Mr. Paul Kennedy

Mr. Bob Kucab

Dr. Beth Melcher
Deputy Secretary DHHS

Ms. Rosemary Weaver

Ms. Martha Are
Division of Aging & Adult Services,
DHHS

STAFF

Janice Paul, Research Division

Denise Thomas, Fiscal Research

Brad Krehely, Research Division

Barbara Riley, Research Division

Susan Barham, Research Division

Mark Bondo, Fiscal Research

Dina Long, Committee Assistant

Shelly Carver, Committee Assistant

SUBCOMMITTEE PROCEEDINGS

The Blue Ribbon Commission on Transitions to Community Living, Subcommittee on Housing, was created by S.L. 2012-142. S.L. 2012-142, Section 10.23A, subsections (a)-(c) and (h) are provided in the Appendix.

The Blue Ribbon Commission on Transitions to Community Living, Subcommittee on Housing, met 4 times from September 12, 2012 until December 12, 2012.

Overview of Topics and Presenters

September 12, 2012

- **Housing Options under the DOJ Settlement**
Dr. Beth Melcher, Deputy Secretary, DHHS
- **Tenant-Based Residential Assistance and Key Program**
Martha Are, DHHS Homeless Programs Coordinator
- **Access to Housing for Persons with Disabilities**
Ken Edminster, DHHS Housing Specialist
- **Housing in North Carolina:
The Final Report of the Plan for the Efficient and Effective Use of State
Resources in the Financing and Development of Independent and
Supportive Living Apartments for Persons with Disabilities**
Bob Kucab, Executive Director, NC Housing Finance Agency

October 10, 2012

- **Supportive Housing Overview**
Jonathan Wilkins, Director, Resources for Human Development
- **Innovations in Supportive Housing**
Thava Mahadevan, UNC Center for Excellence in Community Mental Health
- **CASA**
Debra King, CEO
- **Mecklenburg's Promise**
Cherene Allen-Caraco
- **DOJ Slot Requirements and Wraparound Services**
Dr. Beth Melcher, Deputy Secretary, DHHS

- **Service Delivery by LMEs**
Leza Wainwright, ECBH
- **TBRA Under DOJ**
Martha Are, DHHS
- **Challenges in Administering TBRA Statewide**
Bob Kucab, Executive Director, NC Housing Finance Agency
- **Collaboration with the Private Sector**
Ken Szymanski, AICP, Executive Director, Greater Charlotte Apartment Association & Apartment Association of North Carolina

November 14, 2012

- **Review of Subcommittee Purpose and Goals**
Senator Hise
- **Explanation of DHHS Draft Plan and Budget Estimates**
Dr. Beth Melcher and Steve Owen, DHHS
- **LME Response to DHHS Draft Plan/Summary of LME Survey**
Brian Ingraham, Smoky Mountain Center
Pam Shipman, Cardinal Innovations
Ellen Holliman, Alliance Behavioral Healthcare
- **Recommendations from Housing Advocacy Community**
Carley Ruff, Policy and Outreach Coordinator, NC Housing Coalition
- **Committee Discussion and Recommendations/ Results of Survey of Committee Members**

December 12, 2012

- **Assistive Technology - Overview**
Tammy Koger, Director, Assistive Technology Project, DHHS Division of Vocational Rehabilitation
- **Technology for Independent Living**
Allen Ray, President/CEO, SimplyHome-CMI
- **Committee Discussion of Draft Report**

Summary of Subcommittee Proceedings

September 12, 2012

The Housing Subcommittee of the Blue Ribbon Commission on Transitions to Community Living met on September 14, 2012 at 10:00 AM in Room 415 of the Legislative Office Building.

Senator Hise explained the Housing Subcommittee's charge. He said the primary focus of the subcommittee, as directed by the budget provision, would be to:

- Review the current community-based housing options in North Carolina.
- Develop a plan for the expansion of low-cost, community-based housing options for individuals with severe mental illness or intellectual or other developmental disabilities available throughout the state.
- Ensure that individuals in community-based housing options have access to the services they need.

Senator Hise recognized Mr. Bob Kucab, Executive Director of the NC Housing Finance Agency, for the first presentation on the current housing needs in North Carolina and the inventory of affordable rental housing stock. In addition, Mr. Kucab discussed the NC Housing Search website, which offers information about affordable housing and matches clients with units; as well as the Housing 400 program, a program that provides capital and operating subsidies.

Senator Hise then recognized Dr. Beth Melcher, Deputy Secretary for Health Services at the Department of Health & Human Services, for the next presentation on housing options under the Department of Justice (DOJ) Settlement. Ms. Melcher discussed the challenges now faced by the state: (1) how to create a stock of integrated housing and (2) how to provide support services to assist persons with disabilities in maintaining this housing.

Next, Ms. Martha Are, Homeless Programs Coordinator for the Department of Health & Human Services, gave a presentation on tenant-based residential assistance and the Key Program. Ms. Are provided an overview of the inventory of housing available to persons with disabilities and persons with mental illness. Ms. Are also explained how the interplay between various funding sources often makes housing inventory difficult to count. Ms. Are then provided an explanation of the Key Program, a rental assistance program which provides bridge funding between what a tenant can pay and the cost to operate the unit. She explained the Key rental assistance is only given to individuals who are referred by a service provider. Lastly, Ms. Are discussed the development of a Tenant Based Rental Assistance (TBRA) program, which she described as a core feature of the DOJ agreement and the most geographically flexible housing option.

Senator Hise then recognized Mr. Ken Edminster, Housing Specialist for the Department of Health & Human Services, for the final presentation on best practices for supportive housing, a model consisting of permanent housing for individuals alongside wraparound support services that ensure the best chance of success for those individuals. Mr. Edminster outlined strategies for expanding supportive housing, which include increasing the number of affordable options, ensuring community supports, and separating housing from support services.

Before adjourning the meeting, Chairman Hise asked for additional comments and questions from Subcommittee members.

October 10, 2012

The Housing Subcommittee of the Blue Ribbon Commission on Transitions to Community Living met on October 10, 2012 at 10 A.M. in Room 643 of the Legislative Office Building. The first presentation on supportive housing was given by Mr. Jonathan Wilkins, Unit Director for Resources for Human Development (RHD) and Mr. Bernard Glavin, Corporate Associate Director, Resources for Human Development, Central Office. Their presentation focused on twelve key elements of supportive housing and RHD's enhanced program designed to offer independent living through subleasing programs, as well as several different variations of programs tailored to meet the needs of individuals.

Mr. Thava Mahadevan, M.S., LCAS-A, Director of Operations at UNC Center for Excellence in Community Mental Health, discussed innovations in supportive housing through research, training, technical assistance and clinical care in the community. Next Ms. Debra King, CASA Chief Executive Officer, gave examples of the rental housing built and managed by CASA and explained CASA's guiding principles and the importance of upfront and ongoing funding. Lastly Ms. Cherene Allen-Caraco, Director of Mecklenburg's Promise, presented consumer-operated program solutions for recovery and national reform.

After a period of question and answer, Chairman Burr moved to the next section of the agenda on Supporting DOJ-Required Housing Slots. The first to present was Dr. Beth Melcher, Deputy Secretary of DHHS. Dr. Melcher emphasized the need for rental subsidy, support of LMEs, and linking support services with housing. The next presenter was Ms. Lisa Wainwright, Executive Director of East Carolina Behavioral Health (ECBH), a LME/MCO managing care functions, serving 19 counties in a rural and economically challenged area. Ms. Wainwright presented information on the challenges of local implementation issues and care coordination functions.

After lunch Chairman Burr reconvened the meeting with the Exploring Tenant-Based Rental Assistance (TBRA) section by calling Mr. Bob Kucab, Executive Director of NC Housing Finance Agency, to speak about challenges in administering TBRA statewide. Mr. Kucab gave an overview of TBRA, including discussion on the challenges that are

ahead and an outline of the five main TBRA components. Ms. Martha Are, DHHS Division of Aging and Adult Services, described TBRA under the DOJ – Community Living Voucher Program. Lastly, Mr. Ken Szymanski, AICP, Executive Director of Apartment Association of North Carolina (AANC) discussed collaboration with the private sector.

After a lengthy question and answer session, Chairman Burr thanked everyone for their participation and adjourned the meeting.

November 14, 2012

The Housing Subcommittee of the Blue Ribbon Commission on Transitions to Community Living met on November 14, 2012 at 1 PM. in Room 643 of the Legislative Office Building.

At the outset of the meeting Senator Hise reviewed the purpose and goals of the Subcommittee for the members. The first speaker, Dr. Beth Melcher, Deputy Secretary, of DHHS, presented the DHHS draft plan for implementation of the United States DOJ settlement along with the Department's initial cost estimates to implement the plan. Next, Subcommittee staff reviewed the results of a survey of LME's on local housing availability. The survey responses showed that housing availability meeting the DOJ settlement agreement criteria is minimal, especially in the near term.

The Subcommittee then heard from three LME CEO's responding to the DHHS draft plan. Ellen Holliman, CEO of Alliance Behavioral Healthcare, stated that housing is the cornerstone for persons with mental illness to remain in the community and be successful. She noted the need for adequate funding to carry out implementation of the settlement. Brian Ingraham, CEO of Smoky Mountain Center, thought the DHHS plan was a well thought out approach and consistent with the role of the LME's. He agreed that sufficient funding will be needed to support the LME's increased responsibilities. Mr. Ingraham also expressed concern about the lack of available housing in western North Carolina. Pam Shipman, CEO of Cardinal Innovations, noted that the plan focused on the important areas of housing, access to clinical treatment, and supportive work. There will be challenges in implementation.

The next presenter was Carley Ruff of the North Carolina Housing Coalition. Ms. Ruff provided a number of recommendations for expanding available housing to meet the terms of the DOJ settlement agreement including supporting and expanding the State's existing State housing resources and creating a Tenant Based Rental Assistance program.

Staff made the final presentation of the day providing the Subcommittee with a chart summarizing the recommendations of the members of the Subcommittee to address the Subcommittee's charge.

The meeting concluded with a discussion by Subcommittee members. Senator Hise reminded the members that the Subcommittee would be considering recommendations to submit to the full Blue Ribbon Commission on Transitions to Community Living at the next meeting scheduled for December 12, 2012.

December 12, 2012

The Housing Subcommittee of the Blue Ribbon Commission on Transitions to Community Living met on December 12, 2012 at 10:00 a.m. in Room 643 of the Legislative Office Building.

The first speaker, Tammy Koger, Director Assistive Technology Project, Division of Vocational Rehabilitation, DHHS gave an overview of assistive technology and explained how the technology enabled persons with mental illness to live more independently. The next speaker, Allen Ray, President/CEO of SimplyHome, explained how assistive technology can reduce costs while providing options for independent living.

Next the Subcommittee discussed the draft report. The final meeting of the Blue Ribbon Commission on Transitions to Community Living is scheduled for December 19, 2012.

FINDINGS AND RECOMMENDATIONS

The settlement agreement between the State and U.S. Department of Justice requires the Department of Health and Human Services (DHHS) to secure 3,000 community-based supportive housing units for persons with persistent and severe mental illness by July 1, 2020.

FINDING:

There exists in the State an inadequate supply of community-based housing options for persons with disabilities. While the shortage is statewide, the impact is particularly significant in rural areas. Persons with mental illnesses should have access to decent, safe, affordable, and permanent community-based housing options.

RECOMMENDATION:

The Subcommittee on Housing, Blue Ribbon Commission on Transitions to Community Living, recommends the Blue Ribbon Commission direct that future State, federal or other sources of expansion funding provided to the NC Housing Trust Fund, the Key Program, and other state housing assistance programs be designated specifically to increase the number of permanent housing units, as opposed to temporary or transitory housing. In the absence of increased funding for this purpose, the State should consider targeting some portion of existing funding toward projects that increase supportive housing availability.

RECOMMENDATION:

The Subcommittee on Housing, Blue Ribbon Commission on Transitions to Community Living, recommends the Blue Ribbon Commission to encourage that, of the \$10.3 million appropriated in S.L. 2012-142, Section 10.23A.(e), any unspent funds remaining on June 30, 2013 and any future funding provided for this purpose, shall not revert but shall be transferred to, and deposited into, a special reserve account within the Housing Trust Fund. These funds shall be used only for the purpose of providing supportive housing to persons with mental disabilities and shall remain in a special reserve account until appropriated by an act of the General Assembly. The special reserve account shall be terminated on June 30, 2020, and any funds remaining in the account on that date shall revert to the General Fund.

FINDING:

NC Housing Search.com and the Key Program are valuable resources for identifying and increasing the supply of private, community-based housing units available to persons with mental illness.

RECOMMENDATION:

The Subcommittee on Housing, Blue Ribbon Commission on Transitions to Community Living recommends the Blue Ribbon Commission direct the Department of Health and Human Services to evaluate the capacity of the automated databases used by state agencies to monitor the inventory of available rental housing and take the necessary actions to expand landlords' access to and use of these data systems.

RECOMMENDATION:

The Subcommittee on Housing, Blue Ribbon Commission on Transitions to Community Living, recommends the Blue Ribbon Commission direct the Department of Health and Human Services to increase the percentage of the Key Program budget that is designated for housing for disabled persons.

FINDING:

A tenant-based rental assistance program is the most geographically flexible option to provide affordable housing for persons with disabilities.

RECOMMENDATION:

The Subcommittee on Housing, Blue Ribbon Commission on Transitions to Community Living, recommends the Blue Ribbon Commission direct the Department of Health and Human Services and the NC Housing Finance Agency to develop a plan to establish a state funded and administered tenant-based rental assistance program (TBRA) specifically designated for the 3,000 persons who must be transitioned to community-based housing as required by the U.S. DOJ settlement agreement. The TBRA plan shall identify the housing needs within each MCO catchment area. No later than March 1, 2013, DHHS shall submit the plan, including budgetary and other resource needs, to the Chairs of the House and Senate Appropriations Committees, the House and Senate Health and Human Services Appropriations Subcommittees, and the House and Senate General Government Appropriations Subcommittees.

FINDING:

Non-profits and other agencies are currently providing supportive housing assistance and other services to persons with mental disabilities in home- and community-based settings.

RECOMMENDATION:

The Subcommittee on Housing, Blue Ribbon Commission on Transitions to Community Living recommends the Blue Ribbon Commission encourage LMEs to form partnerships with existing non-profit and other agencies that currently provide supportive housing assistance and other services to persons with mental disabilities in home and community-based settings.

FINDING:

Persons with mental disabilities should be housed in the least restrictive setting possible. Settings should meet the characteristics of home and community-based standards, including but not limited to, the freedom to choose roommates, service providers, community outings, meal and bed times, to have access to visitors, to have privacy, and to exercise personal choice.

FINDING:

Persons with mental illnesses should have access to the services necessary to allow them to live in home and community-based settings, including case management, counseling, transportation, supported employment. However, in many counties, particularly those in rural areas, the availability of such services is inadequate or non-existent.

RECOMMENDATION:

The Subcommittee on Housing, Blue Ribbon Commission on Transitions to Community Living, recommends the Blue Ribbon Commission direct DHHS and the LMEs/MCOs to determine the additional services and resources needed to support the transition of 3,000 mentally ill persons from adult care homes to community-based settings by June 30, 2020. No later than March 1, 2013, DHHS shall submit a written report to the Chairs of the House and Senate Appropriations Committees, the House and Senate Health and Human Services Appropriations Subcommittees and the House and Senate General Government Appropriations Subcommittees.

FINDING:

Assistive technology can help persons with mental illnesses and other disabilities cope with the challenges of living in community-based settings. Assistive devices include computers and tablets, telephones, video cameras, medication aides, and safety devices such as GPS locator systems. Some examples include electronic/digital planners and reminders which can be used to help with keeping appointments, medication schedules, and getting to work on time or devices such as sound machines that can sooth and help persons cope with anxiety and stress or block disruptive noise.

RECOMMENDATION:

The Subcommittee on Housing, Blue Ribbon Commission on Transitions to Community Living recommends the Blue Ribbon Commission direct the Department of Health and Human Services and the LMEs/MCOs to identify specific assistive technology that can be used to divert or transition persons with mental disabilities from institutional settings. DHHS shall develop a plan to maximize the use of assistive technology in the implementation of the U.S. DOJ settlement agreement. No later than March 1, 2013, DHHS shall submit an assistive technology plan to the Chairs of the House and Senate Appropriations Committees, the House and Senate Health and Human Services

Appropriations Subcommittees, and the House and Senate General Government
Appropriations Subcommittees.

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APPENDIX

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Authorizing Legislation

S.L. 2012-142

Section 10.23A, Subsections (a)-(c) and (h)

TRANSITIONS TO COMMUNITY LIVING INITIATIVE

SECTION 10.23A.(a) The General Assembly finds that the State's long-term care industry plays a vital role in ensuring that citizens are afforded opportunities for safe housing and adequate client-centered supports in order to live as independently as possible in their homes and communities across the State. This role is consistent with citizens of the State having the opportunity to live in the most appropriate, integrated settings of their choice. The General Assembly also is committed to the development of a plan that continues to advance the State's current system into a statewide system of person-centered, affordable services and supports that emphasize an individual's dignity, choice, and independence and provides new opportunities and increased capacity for community housing and community supports.

SECTION 10.23A.(b) Blue Ribbon Commission on Transitions to Community Living. – There is established the Blue Ribbon Commission on Transitions to Community Living (Commission). The Commission shall (i) examine the State's system of community housing and community supports for people with severe mental illness, severe and persistent mental illness, and intellectual and developmental disabilities and (ii) develop a plan that continues to advance the State's current system into a statewide system of person-centered, affordable services and supports that emphasize an individual's dignity, choice, and independence. In the execution of its duties, the Commission shall consider the following:

- (1) Policies that alter the State's current practices with respect to institutionally based services to community-based services delivered as close to an individual's home and family as possible.
- (2) Best practices in both the public and private sectors in managing and administering long-term care to individuals with disabilities.
- (3) An array of services and supports for people with severe mental illness and severe and persistent mental illness, such as respite, community-based supported housing and community-based mental health services, to include evidence-based, person-centered recovery supports and crisis services and supported employment.
- (4) For adults with intellectual and other developmental disabilities, expansion of community-based services and supports, housing options, and supported work. Maximize the use of habilitation services that may be available via the Medicaid "I" option for individuals who do not meet the ICF-MR level of need.
- (5) Methods to responsibly manage the growth in long-term care spending, including use of Medicaid waivers.
- (6) Options for repurposing existing resources while considering the diverse economic challenges in communities across the State.
- (7) Opportunities for systemic change and maximization of housing, and service and supports funding streams, including State-County Special Assistance and the State's Medicaid program.
- (8) The appropriate role of adult care homes and other residential settings in the State.
- (9) Other resources that might be leveraged to enhance reform efforts.

SECTION 10.23A.(c) The Commission shall be composed of 32 members as follows:

- (1) Six members of the House of Representatives appointed by the Speaker of the House of Representatives.
- (2) Six members of the Senate appointed by the President Pro Tempore of the Senate.
- (3) Secretary of the Department of Health and Human Services (DHHS) or the Secretary's designee.
- (4) Director of the Housing Finance Agency or the Director's designee.
- (5) Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of DHHS or the Director's designee.
- (6) Director of the Division of Medical Assistance of DHHS or the Director's designee.
- (7) Two mental health consumers or their family representatives.
- (8) Two developmental disabilities consumers or their family representatives.
- (9) Two persons in the field of banking or representing a financial institution with housing finance expertise.
- (10) Two representatives of local management entities/managed care organizations.
- (11) A county government representative.
- (12) A North Carolina Association, Long Term Care Facilities representative.
- (13) A North Carolina Assisted Living Association representative.
- (14) A family care home representative.
- (15) A representative of group homes for adults with developmental disabilities.
- (16) A representative of group homes for individuals with mental illness.
- (17) Two representatives of service providers with proven experience in innovated housing and support services in the State.

The Secretary of the Department of Health and Human Services shall ensure adequate staff representation and support from the following: Division of Mental Health, Developmental Disabilities and Substance Abuse Services, Division of Aging and Adult Services, Division of Health Services Regulations, Division of Social Services, and other areas as needed.

The Commission shall appoint a Subcommittee on Housing composed of 15 members and a Subcommittee on Adult Care Homes.

The chairs shall jointly appoint members described in subdivisions (7) through (17) of this subsection and shall fill vacancies in those positions. The Commission shall meet at the call of the chairs. Members of the Commission shall receive per diem, subsistence, and travel expenses as provided in G.S. 120-3.1, 138-5, or 138-6, as appropriate. The Commission may contract for consultant services as provided in G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist the Commission in its work. Clerical staff shall be furnished to the Commission through the offices of the House of Representatives and Senate Directors of Legislative Assistants. The Commission may meet in the Legislative Building or the Legislative Office Building. The Commission may exercise all of the powers provided under G.S. 120-19 through G.S. 120-19.4 while in the discharge of its official duties. The funds needed to support the cost of the Commission's work shall be transferred from the Department of Health and Human Services upon request of the Legislative Services Director.

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SECTION 10.23A.(h) The Commission shall issue an interim report by October 1, 2012, and a final plan to the 2013 General Assembly no later than February 1, 2013, at which time the Commission shall expire.
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